



FY2026 Budget Adoption

Presented by

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June 3, 2025



BUNCOMBE COUNTY



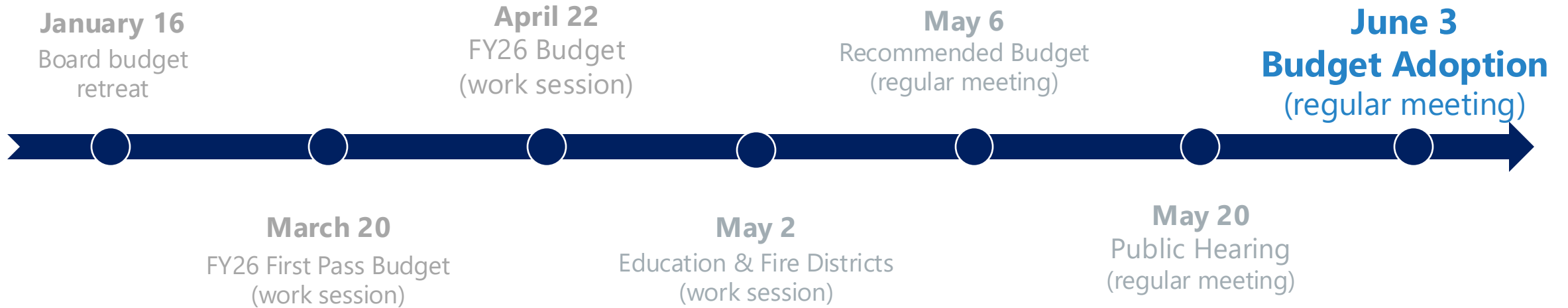
GS §14-234.3

"No public official shall knowingly participate in making or administering a contract, including the award of money in the form of a grant, loan, or other appropriation, with any nonprofit with which that public official is associated. The public official shall record his or her recusal with the clerk to the board, and once recorded, the political subdivision of this State may enter into or administer the contract."

- This applies to all persons elected to serve on political subdivisions of the State where such official is a director, officer, or governing board member of a North Carolina nonprofit.
- A public official in this class must file a recusal with the clerk and may not participate in approving any contract or appropriation for that nonprofit.
- Violation is a Class 1 misdemeanor.



Budget Timeline



Post-Helene Budget Realities

- - **\$11.4 million** in Revenue
 - Reduced Property Tax (-\$6M)
 - Reduced Sales Tax Receipts (-\$1.4M)
 - Unrestricted revenue down 3.49%
- + **\$2.7 million** in health insurance and retirement costs
- - **\$11.1 million** use of fund balance in FY24
 - (- \$8-15 million projected use in FY25)



FY2026 Budget Environment - How We Have Responded

Maintain essential operations budget:

- - **\$4.6 million** reduction in County Operating Budgets (lower than FY24)
- - **\$7.5 million** reduction in Salary budget to account for potential vacancies and turnover and staggering start dates
- - **\$4.6 million** reduction in Discretionary Community Investments
- - **\$1.7 million** in debt service savings from debt refunding
- - **\$0.5 million** reduction in Transportation Fund transfer
- **No** pay-go capital projects
- **No** FY26 debt service costs from new capital projects



FY2026 Budget – Maintaining Essential Operations

Maintain essential operations budget:

- Ensure 911 and EMT staffing
- Maintain or reduce emergency response time for ambulances
- Conduct elections (municipal in the fall / primary in the spring)
- All library locations open
- Meet demand for federally mandated human services to include Medicaid, FNS, Public Health
- Meet permitting and planning needs for rebuilding and new housing
- Provides continued funding for Early Childhood Education
- Activate long-term recovery work for our community



General Fund Changes since FY26 Recommended

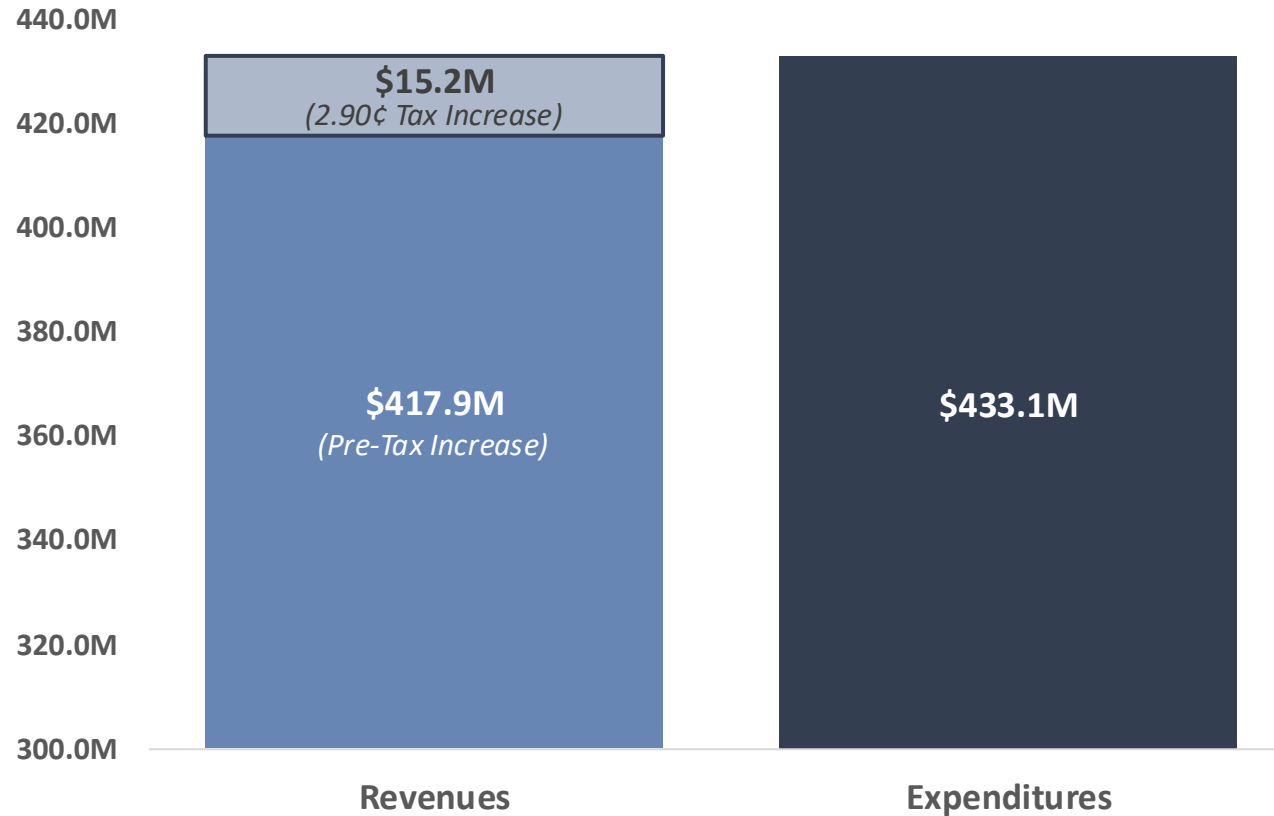
Revenue Changes (FY2026 Recommended)	
Reduce property tax revenue by 0.36 cent tax rate reduction	-\$1.9M
Total	-\$1.9M

Expenditure Changes (FY2026 Recommended)	
Remove other post-employment benefits (OPEB) contribution	-\$1.9M
Total	-\$1.9M

This expenditure reduction of \$1.9M allows for a reduction of the recommended property tax increase from 3.26 to 2.90 cents in the FY26 Recommended Tax Rate.



FY2026 Recommended General Fund Budget



\$433,096,618

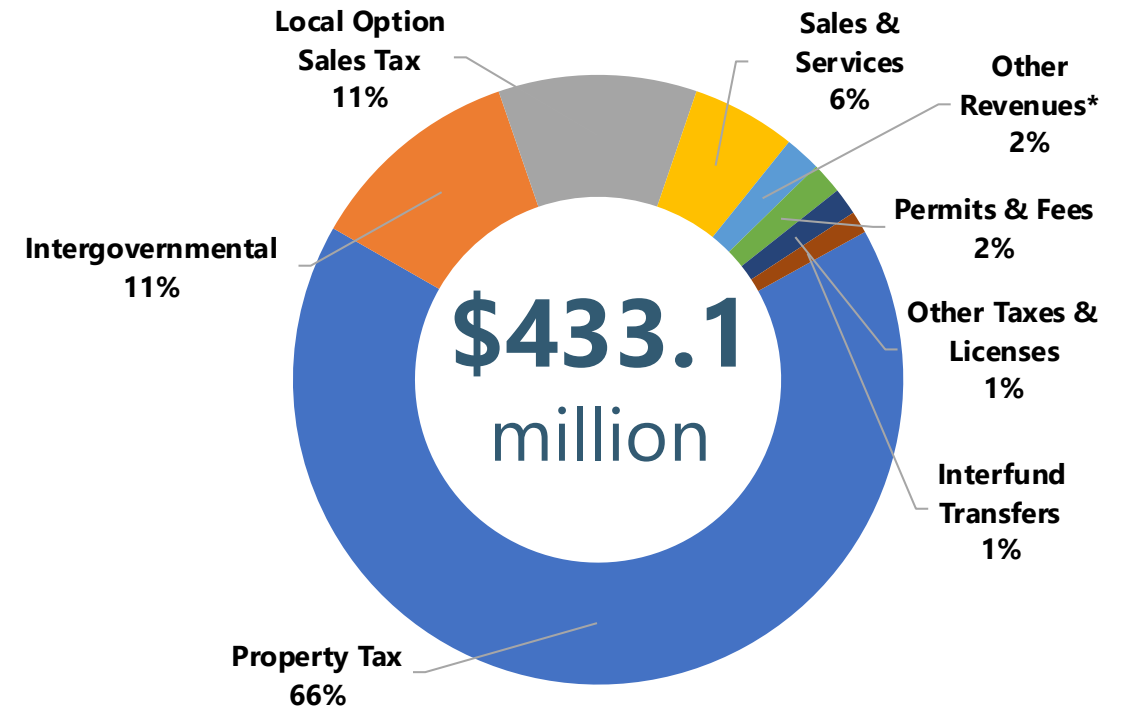
at 54.66 cents



Revenue Budget by Source

(millions of \$)

Revenue Source	FY2025 Amended	FY2026 Recommended	\$ Variance
Property Tax (Before Tax Increase)	278.0	272.0	(5.9)
Intergovernmental	50.0	49.6	(0.4)
Local Option Sales Tax	46.6	45.5	(1.1)
Sales & Services	24.9	23.9	(0.9)
Other Revenues*	12.2	8.3	(3.9)
Permits & Fees	5.9	7.2	1.3
Other Taxes & Licenses	6.8	6.2	(0.6)
Interfund Transfers	5.0	5.1	0.1
Total (Before Tax Increase)	429.5	417.9	(11.6)
2.90¢ Property Tax Increase	0.0	15.2	
Total (After Tax Increase)	429.5	433.1	



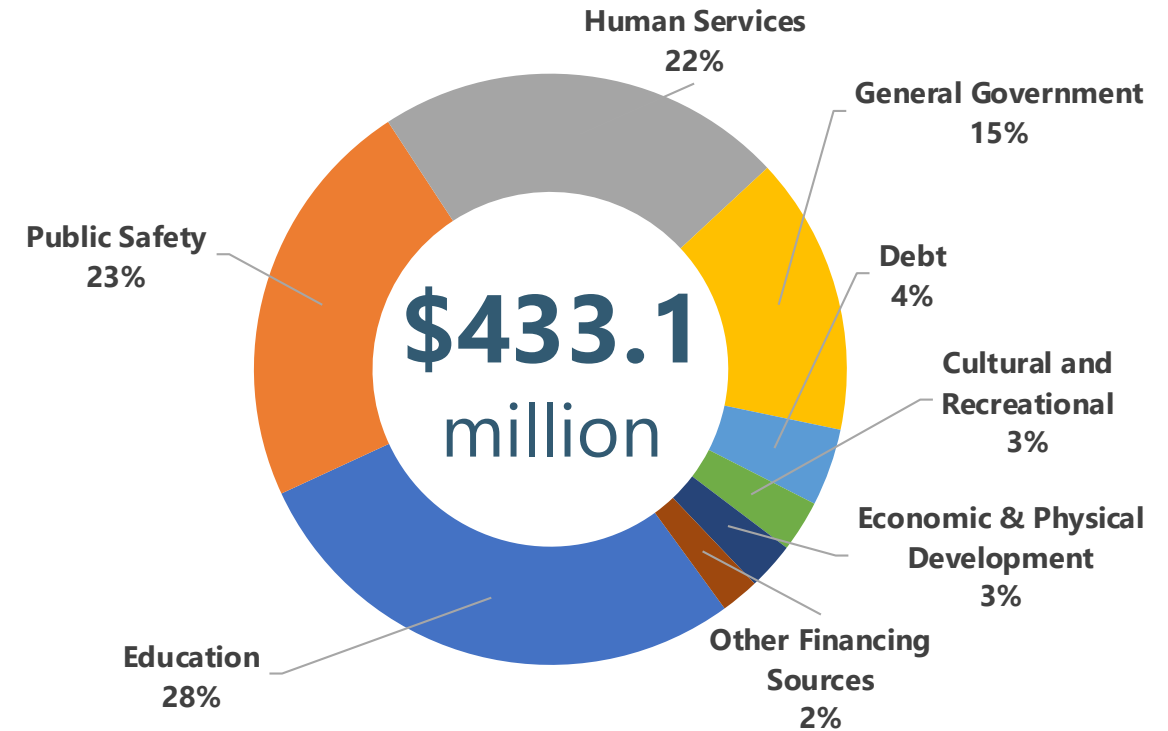
*Note: Other Revenue includes indirect cost recovery, investment earnings, program revenue, and sale of assets



Expenditure Budget by Function

(millions of \$)

Function	FY2025 Amended	FY2026 Recommended	\$ Variance
Education	122.0	121.8	(0.2)
Public Safety	95.9	98.4	2.5
Human Services	97.4	96.6	(0.7)
General Government	74.9	66.0	(9.0)
Debt	21.7	18.3	(3.3)
Cultural and Recreational	11.3	12.2	0.8
Economic & Physical Development	11.2	10.8	(0.4)
Other Financing Sources	9.9	9.1	(0.9)
Total	444.3	433.1	(11.2)



FY2026 Personnel

FY2026 COLA Calculation

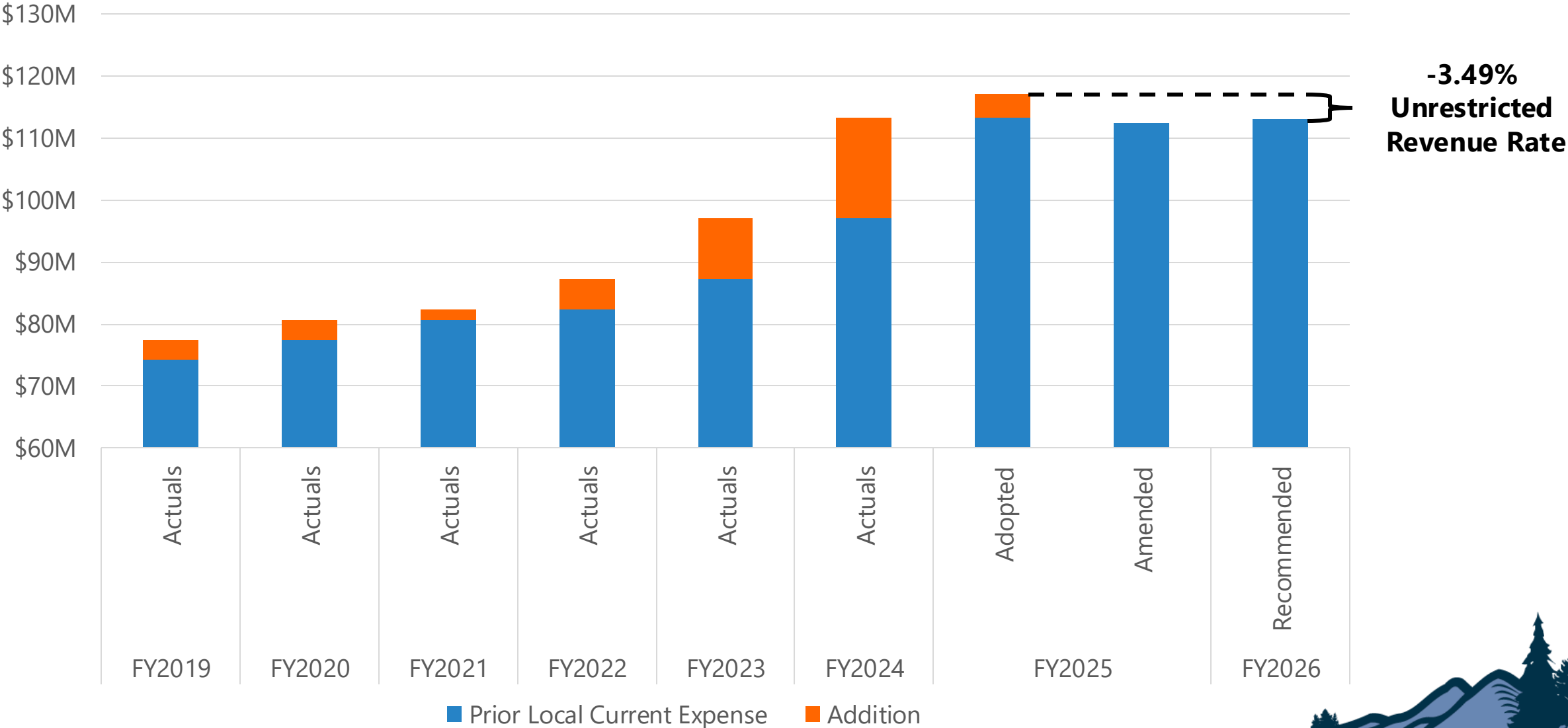
$$\left(\frac{309.067 - 291.051}{291.051} \right) = 3.09\%$$

2

Recommended Reclassifications		Date of Change	Position Count
County Manager	Recovery Officer	Jul	1
Planning	Zoning Code Compliance Officer to Floodplain Management	Jul	1
General Fund Total			2



K-12 Spending



FY2026 Recommended Education Partners

(millions of \$)

Education System	FY2025 Adopted (Adjusted ADM)	FY2025 Amended	FY2026 Recommended	FY2026 Estimated Per Pupil (\$)
AB Tech	8.7	8.7	8.4	
Asheville City Schools	18.0	17.2	17.3	\$ 3,873
Buncombe County Schools	99.3	95.3	95.8	\$ 3,873
Total	126.0	121.3	121.6	

Estimated Per Pupil based on FY2025 ADM provided by DPI and agreed to by both K-12 systems. This figure includes charter students (3,457 across both districts).



FY2026 Recommended Education Partners

(millions of \$)

Education System	FY2025 Adopted (Adjusted ADM)	FY2025 Amended	FY2026 Recommended	FY2026 Estimated Per Pupil (\$)	FY2026 Estimated Per Pupil (w/ Supp. Tax) (\$)
AB Tech	8.7	8.7	8.4		
Asheville City Schools	18.0	17.2	17.3	\$ 3,873	\$ 7,562
Buncombe County Schools	99.3	95.3	95.8	\$ 3,873	\$ 3,873
Total	126.0	121.3	121.6		

Estimated Per Pupil based on FY2025 ADM provided by DPI and agreed to by both K-12 systems. This figure includes charter students (3,457 across both districts).

In addition to the Local Current Expense Allocation, Asheville City Schools will receive an estimated **\$16.5M** (\$12.3M property and \$4.2M sales tax) via the Supplemental Taxing District set at **11.0¢**.



Restoring K-12 Funding

(millions of \$)

Education System	FY2026 Recommended	Restored to FY25 Adopted	Amount Needed
Asheville City Schools	17.3	18.0	.6
Buncombe County Schools	95.8	99.3	3.5
Total	113.2	117.3	4.1

Article 39 Sales Tax Legislation:

- [SB131](#): approved in the Senate, now in the House for approval
- [HB183](#): approved in House, now in the Senate for approval



Discretionary Community Investments

Discretionary Community Investments	Amount
Early Childhood Education	\$3,974,691
Isaac Coleman Grants	\$500,000
HCCBG Buncombe Co. Supplemental Aging Funds	\$375,000
Conservation Easements	\$250,000
Homeowner Grant Program	\$280,000
ARTS Funding	\$129,788
Career Academy	\$94,000
School Community Impact funds	\$80,000
CAYLA	\$65,000
Total:	\$5,748,479

Other Funding	Amount
Juvenile Crime Prevention Council	\$644,477

Note: The full list of awardees can be found in Appendix A of the FY2026 Budget in Brief.



FY26 Recommended Capital Projects & Vehicles

FY26 Recommended Capital Projects	Department	Funding Source	FY2026 Recommended
FY26 Ambulances*	Emergency Services	Debt	\$1.2M
Animal Shelter Renovation & Repair	General Services	Debt	\$0.4M
Courthouse Elevators Upgrade	General Services	Debt	\$1.1M
Detention Center Facility Assessment Renovation & Repair	Sheriff's Office	Debt	\$0.6M
Lake Julian Bathroom Replacement - Fisherman's Trail	Recreation Services	Debt	\$0.7M
Total			\$4.0M

**Note: FY26 ambulances purchases will be budgeted in the County Capital Projects Fund (Fund 341) and a resolution was brought to the Board and adopted on 10/1/24 to commit to purchase these vehicles.*

FY26 Recommended Vehicles	Department	Purchase/Lease	FY2026 Recommended
10 SUVs w/ upfit (replacements)	Sheriff's Office	Debt Purchase	\$588K
2 Hybrid Trucks (replacements)	Permits & Inspection	Lease	\$26K
1 Electric Truck (replacement)*	Solid Waste	Lease	\$13K
TOTAL			\$627K

**Note: The lease for the Solid Waste truck will be budgeted in the Solid Waste Enterprise Fund (Fund 466)*



FY2026 Special District Recommended Tax Rates

Tax District	FY2025 Tax Rate	FY2026 Requested Tax Rate	FY2026 Recommended Tax Rate
Asheville City Schools	10.62	12.00	11.00
Asheville Special	8.36	8.36	8.36
Asheville Suburban	8.97	8.97	8.97
Barnardsville	22.00	22.00	22.00
Broad River	16.00	16.00	16.00
East Buncombe	10.69	10.69	10.69
Enka-Candler	12.00	13.50	13.50
Fairview	16.00	16.00	16.00
French Broad	22.20	22.70	22.70
Garren Creek	13.84	13.84	13.84
Jupiter	12.75	12.75	12.75

Tax District	FY2025 Tax Rate	FY2026 Requested Tax Rate	FY2026 Recommended Tax Rate
Leicester	14.03	14.03	14.03
North Buncombe	12.27	12.27	12.27
Reems Creek	15.07	15.07	15.07
Reynolds	11.24	13.11	13.11
Riceville	16.60	16.60	16.60
Skyland	9.80	9.80	9.80
Swannanoa	14.00	15.00	15.00
Upper Hominy	19.00	20.60	20.60
West Buncombe	13.50	15.00	15.00
Woodfin	10.59	10.59	10.59



FY2026 Recommended Budget: All Annual Funds

Annual Fund	Expenditures
General Fund	\$433,096,618
Fire & Service Districts Special Revenue Fund	\$69,585,716
Health, Employment, Property & Casualty Insurance Internal Service Fund	\$48,242,165
Occupancy Tax Special Revenue Fund	\$40,000,000
Solid Waste Enterprise Fund	\$16,584,565
Mountain Mobility Special Revenue Fund	\$5,722,612
Opioid Settlement Fund	\$3,218,194
School Fines & Forfeitures Fund	\$2,000,000
Asheville-Buncombe Air Quality Agency Fund	\$1,262,912
Representative Payee Fund	\$900,000
PDF Woodfin Special Revenue Fund	\$818,468
911 Special Revenue Fund	\$728,900
Tax Reappraisal Reserve Fund	\$703,280
Inmate Commissary & Welfare Fund	\$450,000
Register of Deeds Trust Fund	\$292,000
Register of Deeds Automation Special Revenue Fund	\$135,000
Forfeitures Fund	\$40,280
Annual Funds Total	\$623,780,710



Non-General Fund Changes Since FY2026 Recommended

- Solid Waste Enterprise Fund
 - Finalized debt for compactor, adding debt service costs
 - Increased Solid Waste Appropriated Fund Balance by ~\$350K
- 911 Special Revenue Fund
 - Late notification of decrease in allotment by State
 - Adjusted 911 fund balance to maintain recommended budget



School Capital Fund FY2026 Recommended Projects

School System	Recommended Project Name	Recommended Amount
Asheville City Schools	FY26 Priority School - Security	1,650,000
Asheville City Schools	FY26 Asheville High School - Stadium Repairs/Bleachers	811,967
Buncombe County Schools	FY26 Priority School Security Upfits: Countywide	660,000
Buncombe County Schools	FY26 Sand Hill-Venable Elementary Phased Reroofing	575,000
Buncombe County Schools	FY26 W. W. Estes Elementary Phased Reroofing	500,000
Buncombe County Schools	FY26 Avery's Creek Elementary Phased Reroofing	240,000
Buncombe County Schools	FY26 Leicester Elementary Phased Reroofing	500,000
Buncombe County Schools	FY26 Fairview Elementary Phased Reroofing	500,000
Buncombe County Schools	FY26 Martin L Nesbitt Discover Academy Phased Reroofing	600,000
Buncombe County Schools	FY26 C.A. Erwin Middle Phased Reroofing	500,000
Buncombe County Schools	FY26 A.C. Reynolds Middle Phased Reroofing	225,000
Buncombe County Schools	FY26 Barnardsville Elementary Phased Reroofing	125,000
Buncombe County Schools	FY26 West Buncombe Elementary Phased Reroofing	500,000
Buncombe County Schools	FY26 Hominy Valley Elementary Fire Alarm Replacement	350,000
Buncombe County Schools	FY26 TC Roberson High Tennis Courts Replacement	1,500,000
Buncombe County Schools	FY26 Valley Springs Middle Athletic Field Renovations	1,500,000
Buncombe County Schools	FY26 Buncombe County Aquatics Center Pool Lighting Replacement	225,000
Total FY26 Recommendation		\$ 10,961,967

FY26 Recommendation for Asheville City Schools	\$	2,461,967
FY26 Recommendation for Buncombe County Schools	\$	8,500,000
Total	\$	10,961,967



Article 39 Sales Tax Fund Capacity

Fiscal Year	2025	2026	2027	2028	2029	2030
Beginning balance	66.6	41.3	57.2	24.7	18.5	13.7
Article 39 Sales Tax Estimate	27.8	28.1	28.7	29.2	29.8	30.4
Less \$4.1M		(4.1)				
Bond Proceeds		57.6				
Total revenues	27.8	81.6	28.7	29.2	29.8	30.4
Existing Projects	27.7	31.2	25.0			
Capacity For New Projects		11.0	10.0	10.0	10.0	10.0
Debt Service	25.4	23.6	26.2	25.4	24.6	23.8
Total expenditures	53.1	65.7	61.2	35.4	34.6	33.8
Estimated Fund Balance	41.3	57.2	24.7	18.5	13.7	10.3

This scenario reflects use of \$4.1M for school operating and \$11M for FY26 paygo projects.



FY2026 Budget Ordinances

For Board Approval:

- Annual Funds Ordinance
 - Fee schedule / HHS Billing Guide
 - Position classification and compensation plan
- Capital Funds Ordinance
 - School Capital Fund FY26 Projects
- Opioid Settlement Fund Resolution
 - FY26 Spending Plan By Strategy
- Resolution for Article 39 Sales Tax Revenue Use

